

Public Hearing: February 24, 2014

FACT SHEET

TITLE: Sale of City-owned property located at 1520 Van Dorn Street

SPONSOR: Urban Development Department

OTHER DEPARTMENTS AFFECTED:

None aware of

OPPONENTS: None

STAFF RECOMMENDATION: For

APPLICANT: Urban Development Dept.

REASON FOR LEGISLATION: Article II, Section 2 of the City Charter provides that the sale of any real estate having a value in excess of \$10,000 must be authorized by City Council ordinance.

DISCUSSION

The City of Lincoln is in the process of selling a newly constructed residence at 1520 Van Dorn Street. History behind the City's involvement with this property is as follows: For whatever reason, the previous property owner deeded the property back to the bank who held the lien in July 2010. They in turn would not claim ownership or take responsibility of the property even though they were the lien holder and owner of record. With no one taking responsibility for the property, its condition deteriorated fast and soon became an eyesore to the neighborhood. The City received numerous complaints about the property and was asked if there was something that could be done to rid the neighborhood of the nuisance. The City eventually discovered it could foreclose unpaid water liens, and the court granted the City permission to sell the property at public auction. The City was able to purchase the property for \$13,000 as no other bids were received at the sale. The City obtained title to the property in October of 2012.

Rehabilitation of the property was not a viable option, and the property was eventually demolished. The City used Neighborhood Stabilization Funds for the acquisition and demolition of the property. They were also able to use those same funds to build a three (3) bedroom, two (2) bathroom home with a two stall detached garage. The property is part of a federal program and can only be purchased by someone who qualifies for the First Time Homebuyer's program and is within a certain income bracket.

The City has now received an offer of \$125,000 from a qualified applicant to purchase the property. The proceeds from the sale of the property are required to go back to the Neighborhood Stabilization Fund. The sale of the property will allow the City to recoup the majority of its investment, bring in program income, improve the area, put the property back on the tax rolls and relieve the City of maintenance issues related to the property. For these reasons, we recommend approval of the sale.

POLICY OR PROGRAM CHANGE: None

COST OF TOTAL PROJECT: N/A

SOURCE OF FUNDS: N/A

CITY:
NON CITY:

BENEFIT COST: \$125,000

FACT SHEET PREPARED BY: Michelle Backemeyer, Urban Development Department

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